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Kelowna Pacific Railway Ltd.

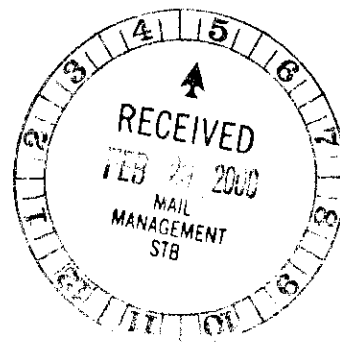
(A KnightHawk Inc. Company)

22 February 2000

Mr. Vernon A. Williams, Secretary
 Surface Transportation Board
 Office of the Secretary
 Case Control Unit
 Attn: STB ex Parte No. 582
 1925 K Street, N.W.
 Washington, D.C. 20423-0001

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Dear Sir:

Kelowna Pacific Railway Ltd, is a railroad transportation company that is a major user of rail service in the U.S. and Canada. The purpose of this letter is to comment on the issues to be discussed on March 8th, 2000 in Ex Parte 582.

We encourage the Surface Transportation Board to focus on whether the proposed CN-BNSF combination is good for shippers, not on potential downstream effects. The CN-BNSF combination should be judged on its merits and if other carriers propose mergers, then these cases ought to be evaluated on their merits.

The timing of the proposed CN-BNSF combination is not the central issue for our company. Our concern is service. Recent mergers have failed on service, not because of timing. Accordingly, the Surface Transportation Board should focus on ensuring that CN-BNSF combination, and any other future mergers, will deliver service.

The Surface Transportation Board has a comprehensive process to evaluate railroad transactions and protect the public interest. It should fairly evaluate the CN-BNSF combination according to that process. Do not let other railroads use the Surface Transportation Board process to protect themselves and not shippers.

Sincerely,

Hugh J. MacMillan
 Chairman & C.E.O.

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